

FRIDAY REVIEW

LEGISLATIVE AND GOVERNMENTAL UPDATE

September 10, 2021

ANNOUNCEMENTS

The California Department of Food and Agriculture (CDFA) is accepting proposals for the 2022 Specialty Crop Block Grant Program, applications for the 2022 Specialty Crop Block Grant Program Technical Review Committee members, and proposals for the 2021 Specialty Crop Multi-State Program. Grant awards will range from \$100,000 to \$500,000 per project and projects may last for up to two years and six months. Non-profit and for-profit organizations; local, state, federal, and Tribal government entities; and public and private colleges and universities are eligible to. Specialty crops include fruits and vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture). Please review the [2022 Request for Concept Proposals](#) for detailed application instructions. Concept proposals must be submitted electronically using FFAST by Friday, October 8, 2021, at 5:00 p.m. PT. Prospective applicants are encouraged to visit the program's website, www.cdfa.ca.gov/grants for full details or contact CDFA's Office of Grants Administration at grants@cdfa.ca.gov or leave a message at (916) 657-3231 for additional information.

The Specialty Crop Multi-State Program (SCMP) is a federal grant program offered by the U.S. Department of Agriculture's Agricultural Marketing Service (USDA, AMS). The purpose of the SCMP is to competitively award funds to projects that enhance the competitiveness of specialty crops by funding collaborative, multi-state projects that address regional or national level specialty crop issues, including food safety, plant pests and disease, research, crop-specific projects addressing common issues, and marketing and promotion. All prospective applicants are encouraged to review the 2021 SCMP Request for Applications on the USDA, AMS website: https://www.ams.usda.gov/sites/default/files/media/2021_SCMP_RFA.pdf

Beginning September 24, 2021 additional information about the SCMP, including application instructions and templates will be available at http://www.cdfa.ca.gov/Specialty_Crop_Competitiveness_Grants/SCMP.html. The deadline to submit SCMP proposals to California is 1:59 p.m. PT on November 4, 2021. Proposals must be submitted electronically to grants@cdfa.ca.gov.

CDFA's Office of Environmental Farming and Innovation (OEFI) is accepting public comments on its draft Request for Grant Applications (RGAs) for the Healthy Soils Program (HSP) Incentives Program and Demonstration Projects. The HSP Incentives Program provides financial assistance for implementation of conservation management practices that improve soil health, sequester carbon, and reduce greenhouse gas (GHG) emissions. CDFA has appropriated \$50 million in one-time funding for FY 2021-22 authorized by the Budget Act of 2021 to implement the HSP. Public comments will be accepted from September 9, 2021 to September 23, 2021. Comments must be submitted via email to cdfa.HSP_Tech@cdfa.ca.gov.

The draft RGAs can be found on the following webpages under CDFA OEFI:

HSP Incentives Program: <https://www.cdfa.ca.gov/oefi/healthysouls/IncentivesProgram.html>

HSP Demonstration Projects: <https://www.cdfa.ca.gov/oefi/healthysouls/DemonstrationProjects.html>

A stakeholder workshop is scheduled to update the public on the programs and to receive comments and suggestions for the draft guidelines. This workshop will be held as a webinar on the date provided below:

Friday, September 17, 2021

1:30 p.m. to 3:30 p.m. (Pacific Time)

Topic: CDFA Healthy Soils Program Draft Solicitation Workshop

Register in advance for this webinar: [here](#)

USDA-NRCS is hosting an informational webinar on Monday September 13th at 11am about the new USDA Cooperative Agreements program to serve historically underserved farmers, ranchers, and foresters. This is an opportunity to learn more about the cooperative agreements and provide any feedback and is hosted by the California USDA-NRCS staff. Click this [link](#) to join the meeting on Monday, or email Christine Chavez at christine.chavez2@usda.gov for more information.

Agricultural Employment

AB 73 (Robert Rivas, D-Salinas), which would allow agricultural employers to access a state-operated essential workers' respirator stockpile originally created by legislation in 2020 passed the Senate 37-0 on September 10. Farm Bureau supports. *Staff: Bryan Little; 916-561-5622 or blittle@cfbf.com*

Two measures of concern to agricultural employers have been passed by the Legislature in the last week of session and await final action by the Governor:

AB 701 (Lorena Gonzalez, D-San Diego) establishes an entirely new regulatory regimen for warehousing and food processing employers with 100 or more employees at a site or 1000 or more statewide who use performance metrics, making such metrics difficult and legally hazardous to use. Farm Bureau opposes. AB 701 passed the Senate on September 8 on a vote of 26-11 with three absent or not voting. Earlier, AB 701 was amended to significant narrowing its scope and removing language requiring Cal/OSHA to promulgate a regulation to protect employees from the putative dangers of working too fast to meet performance metrics. *Staff: Bryan Little; 916-561-5622 or blittle@cfbf.com*

SB 606 (Lena Gonzalez, D-Long Beach) creates a new classification of employment law violations that will cause some employers to be dubbed "egregious employers" and would thereby subject them to much higher penalty levels. These would be levied on an employee-by-employee basis rather than location by location. Farm Bureau opposes. SB 606 passed the Assembly on a vote of 52-19 with eight absent on September 8. *Staff: Bryan Little; 916-561-5622 or blittle@cfbf.com*

Three bills of concern were shunted to the inactive file after progressing to consideration of final passage. While not dead for the two-year session, they will not come up in 2021:

SB 410 (Connie Levya, D-Chino) exempts occupational safety and health regulations from the standard regulatory impact analysis current required of all proposed regulations with an economic impact in excess of \$50 million. SB 410 was ordered to the Assembly inactive file on September 8. Farm Bureau opposes. *Staff: Bryan Little; 916-561-5622 or blittle@cfbf.com*

AB 857 (Ash Kalra, D-San Jose) was placed on the Senate inactive file on September 9. AB 857 is a re-tread of SB 1102 (Monning, 2020), which was vetoed by Governor Newsom. AB 857 requires the DIR to create a duplicative notification requirement for H-2A employers and mandates a notification template the mis-characterizes the existing requirement for employers to compensate travel time at the employee's regular rate of pay rather than the minimum wage. Farm Bureau opposes. *Staff: Bryan Little; 916-561-5622 or blittle@cfbf.com*

AB 1041 (Buffy Wicks, D-Oakland) was placed on the Senate inactive file on September 9. AB 1041 amends the California Family Rights Act (CFRA) to require employers to make unpaid CFRA leaves available to care for any individual an employee regards as a family member. Farm Bureau opposes due to the uncertainty and ambiguity that will be caused by the changes. *Staff: Bryan Little, blittle@cfbf.com*

Animal Health & Welfare

[AB 888](#) (Marc Levine, D – Marin), has passed out of both houses and awaits the governor's signature. This Farm Bureau sponsored bill would expand the utilization of on-farm slaughter by a registered mobile slaughter operator (MSO) to also include goats, sheep, and pork. This bill benefits producers by minimizing transport, animal stress, and the significant delays in scheduling. AB 888 does not allow for the commercial sale of any meat product from this framework and requires the meat to be consumed by the purchaser of the animal, members of their household, their employees and non-paying guests. Staff: Katie Little at klittle@cfbf.com or (916) 446-4647.

[SB 703](#), a bill introduced by Senator Melissa Hurtado (D – Sanger) aims to standardize testing at Animal Health and Food Safety Facilities throughout the state in order to eliminate disparities that can cause incorrect laboratory test results. CAFB supports this measure, and it has passed out of both houses and is going to the governor's desk. Staff: Katie Little, klittle@cfbf.com or (916) 446-4647.

Budget Bills

[SB 155](#) (Budget Committee), the Natural Resources budget trailer bill, was approved and awaits the Governor's signature. The legislation implements and provides various funding priorities for environmental considerations as provided:

Agricultural Programs

- Appropriation of \$438 million (\$200 million General Fund and \$238 million special funds), as follows:
 - \$3 million for the Wolf Conflict Compensation Pilot Program;
 - \$10 million for CDFA California Nutrition Incentive Program;
 - \$25 million for CDFA Healthy Soils Program;
 - \$32 million for CDFA Livestock Methane Reduction;
 - \$15 million for CDFA Pollinator Habitat Program;
 - \$213 million for FARMER Program;
 - \$30 million for Fresno-Merced Food Innovation Initiative.

Staff: Katie Little at 916-446-4647 or klittle@cfbf.com

Forest Health and Wildfire Prevention

Establishes a continual appropriation of \$200 million from the state's Greenhouse Gas Reduction Fund (sunsetting in FY28-29) for healthy forests, fire prevention programs, and prescribed burns. This is an extension of the [SB 901](#) (Dodd, 2018) funding and has been a critical component to California's wildfire mitigation strategy. Despite recent challenges, California must continue to move forward with the conviction and commitment necessary to address the very real wildfire crisis before more communities, lives and livelihoods are destroyed. California Farm Bureau has been advocating to extend SB 901 beyond its original sunset of 2023-24, and in doing so would provide an additional \$1 billion of continually appropriated funds.

In response to the recent revelation that CALFIRE faces significant logistical challenges in expending wildfire funds, the legislation now requires the California Natural Resources Agency, by April 2022, to report on the expenditures and implementation of all programs related to wildfire and forest resilience funded via the 2021 Budget. The reporting requirements would sunset in 2026 but provides needed transparency and public accountability. Members should be aware that Farm Bureau sponsored [AB 926](#) (Mathis, 2021) that would have arguably provided the same level of accountability as to the expenditure of fire prevention grant funds but was killed in the Assembly Appropriations Committee. Staff: Robert Spiegel at 916-446-4647 or rspiegel@cfbf.com

Water

The legislation, until January 1, 2025, exempts from the California Environmental Quality Act (CEQA) projects that restore or provide habitat for California native fish and wildlife. Additionally, the legislation provides CEQA streamlining for projects related to the removal of dams on the lower Klamath River and construction of irrigation ponds that are required to also install habitat restoration projects. The bill further amends the

California Water Code, addressing reporting requirements and dates for water diversions and use, and for groundwater extractions in probationary basins, or within high or medium priority basins not managed by a groundwater sustainability agency. *Staff: Danny Merkley at 916-446-4647 or dmerkley@cbbf.com*

Climate Catalyst Funding

Expands eligibility and financial assistance to include various projects related to wildfire prevention and resiliency, and agricultural improvements that reduce climate impacts. Eligibility categories for wildfire related projects include:

- Clean energy production (except biomass conversion);
- Advanced construction materials;
- Forestry equipment needed to achieve the state's goals for forest and vegetation management treatments.

Eligibility categories for related agricultural improvement projects that result in minimizing climate impacts for agricultural practices include:

- On-farm and food processing renewable energy to be used or distributed onsite (includes electricity, fuels and bioenergy);
- Energy, water and materials efficiency;
- Methane reduction projects (excluding dairy digesters and biogas unless used or distributed onsite);
- Energy storage and microgrids;
- Equipment replacement.

Staff: Robert Spiegel at 916-446-4647 or rspiegel@cbbf.com

Carbon Negative Fuels Pilot Projects in Sierra Nevada Mountain Range

[SB 155](#) makes available \$50 million in the next fiscal year for the Department of Conservation, California Air Resources Board and the State Energy Resources Conservation and Development Commission, to fund pilot projects in the Sierra Nevada. These pilot projects would be to create "carbon-negative" fuels from material resulting from forest vegetation management. Conceivably, these pilot programs would likely be utilizing woody biomass for the creation of transportation fuels. *Staff: Robert Spiegel at 916-446-4647 or rspiegel@cbbf.com*

[SB 170](#) (Budget Committee), the Cap-and-Trade Expenditure, Resources and Budget Bill Jr., was also passed by both houses and awaits the Governor's signature. The legislation implements and provides various funding priorities for the state including, but not limited to, education, healthcare, resources, public safety, and transportation. The following is an overview of the funds provided by the legislation:

Water Resiliency

- Appropriation of \$855 million (\$730 million General Fund and \$125 million in special funds), as follows:
 - \$120 million for implementation of the Sustainable Groundwater Management Act (SGMA);
 - \$130 million for flood protection;
 - \$25 million for remote sensing;
 - \$40 million for water resilience projects;
 - \$125 million for programs and projects that improve environmental conditions to promote recovery of native fish species in the Sacramento-San Joaquin watershed, including habitat restoration projects.

Staff: Danny Merkley at 916-446-4647 or dmerkley@cbbf.com

Wildfire

- Appropriation of nearly \$1 billion (\$758 million in General Fund and \$230 million in Green House Gas Reduction Funds (GGRF) as follows:
 - \$257 million for various forest health, resiliency and private land ownership programs;
 - \$139 million for the state conservancies to undertake wildfire prevention programs;
 - \$282 million for CalFire's fire prevention grant programs, prescribed fire and other projects;
 - \$51 million for forestry industry economic stimulus and workforce development.

Nutrition

[AB 1009](#) (Bloom, D – Santa Monica) passed out of both houses and awaits the governor's signature or veto. This bill would establish the Farm to Community Food Hub Program. This bill would also specifically limit participation in the program to those farmers and ranchers who are "socially disadvantaged," "limited resource," "beginning," small (less than 500 acres), and those that use "sustainable agriculture" production practices. Farm Bureau has concerns with definitions and limitations outlined in this bill as amended in the Appropriations Committee on August 26. The bill was amended further on September 3, but still contains problematic language. Farm Bureau opposes this bill and will be asking the governor to veto the measure when it reaches his desk. Staff: Katie Little at klittle@cfbf.com or (916) 446-4647.

Wildlife

[AB 614](#) authored by Assemblymember Cecilia Aguiar-Curry (D – Winters) is a bill that would allow the Nesting Bird Habitat Incentive Program to authorize direct payments to landowners in order to encourage cultivation of upland cover crops, cereal grains, grasses, forbs, or pollinator plants to provide waterfowl and other game bird nesting habitat cover encouraging the use of agricultural lands for wildlife habitat. AB 614 passed out of both houses and awaits the governor's signature. CAFB supported this measure and signed onto a coalition letter with other stakeholders. Staff: Katie Little, klittle@cfbf.com or (916) 446-4647.

Taxation

[SB 539](#) (Hertzberg, D-Van Nuys), a Proposition 19 clean-up bill, passed in the Senate and is awaiting further action by Governor Newsom. For more than nine-months, Farm Bureau negotiated language designed to minimize the property tax implications stemming from transfers of agricultural properties. Farm Bureau ultimately supported the legislation after an agreement within the author was reached. We appreciate the commitment of Senator Hertzberg to modify SB 539 to assist California farmers and ranchers, as well as the dialogue with the California Assessors' Association, and the additional efforts of Assemblyman James Gallagher, Senators Brian Dahle, John Laird, Melissa Hurtado and others. Staff: Robert Spiegel at 916-446-4647 or rspiegel@cfbf.com.

Transportation

[SB 287](#) (Grove, R-Bakersfield), a bill that would provide greater clarity and flexibility related to the licensing requirement for towing horse and stock trailers, has passed in the Senate and awaits further action from Governor Newsom. Farm Bureau is in support of SB 287. Staff: Robert Spiegel at rspiegel@cfbf.com or 916-446-4647.

Water

[SB 559](#), a measure that would provide grant funding for repairs on the Friant-Kern Canal, the State Water Project and the Delta Mendota Canal was moved to the inactive file this week, making it a two-year bill. As previously reported, Senate Bill 559 (Melissa Hurtado, D-Sanger), would establish the Canal Conveyance Capacity Restoration Fund to support subsidence repair costs, for the Friant-Kern Canal, the Delta-Mendota Canal and the California Aqueduct. The measure would have provided state funding to go along with local and federal funding for the water infrastructure repairs. Farm Bureau supported the measure and will work with the author to get it across the finish line next year. Staff: Danny Merkley, dmerkley@cfbf.com or (916) 446-4647.